

1 VIRGINIA:

2 IN THE COUNTY OF WASHINGTON

3 VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

4 VIRGINIA GAS AND OIL BOARD

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9 FEBRUARY 15, 1999

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12 BOARD MEMBERS:

13 MASON BRENT

14 MAX LEWIS

15 BENNY WAMPLER, CHAIRMAN

16 SANDRA RIGGS, ASSISTANT ATTORNEY GENERAL

17 CLYDE KING

18 RICHARD GILLIAM

19 BOB WILSON, ACTING DIRECTOR OF THE DMME

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BENNY WAMPLER: Good morning. My name is Benny Wampler. I'm Deputy Director for the Department of Mines, Minerals and Energy, and Chairman of the Gas and Oil Board; and I'll ask the Board members to introduce themselves, please, starting with Mr. King.

CLYDE KING: Clyde King from Abingdon, a public member.

MASON BRENT: Mason Brent from Richmond. I represent the Gas and Oil Industry. Who are you?

MAX LEWIS: Max Lewis, and I'm a public member from Buchanan County.

SANDY RIGGS: I'm Sandy Riggs with the Office of the Attorney General, here to advise the Board.

RICHARD GILLIAM: I'm Richard Gilliam from Abingdon, a coal industry representative.

BOB WILSON: I'm Bob Wilson. I'm acting Director of the Division of Gas and Oil, and Principal Executive to the staff.

BENNY WAMPLER: The first item on today's agenda is the petition from Equitable Production Company for pooling of a coalbed methane unit in the Nora Coalbed Gas Field identified as VC-4256. This is docket number VGOB-00-01/18-

1 0768. We'd ask the parties that wish to address the Board in
2 this matter to come forward at this time, please.

3 JIM KISER: Mr. Chairman and members of the Board,
4 Jim Kiser on behalf on Equitable Production Company. Our
5 witnesses in this matter will be Mr. Don Hall and Martin
6 Puskar.

7 BENNY WAMPLER: The record will show there are no
8 others. You may proceed.

9 JIM KISER: I'd ask that you swear the witnesses at
10 this time, please.

11 (Witnesses are duly sworn.)

12

13 DON C. HALL

14 having been duly sworn, was examined and testified as
15 follows:

16 DIRECT EXAMINATION

17 QUESTIONS BY MR. KISER:

18 Q. Mr. Hall, could you state your name for the
19 record, who you're employed by, and in what capacity?

20 A. Don C. Hall. I'm employed by Equitable
21 Production Company as District Landman.

22 Q. And do your responsibilities include the
23 land involved in the unit for VC-4256 and in the surrounding
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1 area?

2 A. Yes, they do.

3 Q. And are you familiar with Equitable's
4 application seeking a pooling order for Equitable well number
5 VC-4256, which was dated December 13, 1999?

6 A. I am.

7 Q. Is Equitable seeking to force pool the
8 drilling rights underlying the drilling and spacing unit as
9 depicted at Exhibit A of the application?

10 A. Yes.

11 Q. And has a permit been applied for this well?

12 A. Yes, it has and it has been permitted.

13 Q. And as you see the plat, the well is outside
14 the interior window. In that permit, you sought a variance
15 and that was approved, also?

16 A. That's correct.

17 Q. Okay. Now, does the location proposed fall
18 within the Board's order for the Nora Coalbed Gas Field?

19 A. Yes, it does.

20 Q. And prior to filing of the application, were
21 efforts made to contact each of the respondents listed in
22 Exhibit B in an attempt to work out an agreement regarding
23 the development of the unit involved?

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1 A. They were.

2 Q. Does Equitable own drilling rights in the
3 unit involved here?

4 A. Yes, we do.

5 Q. What is the interest of Equitable in the gas
6 estate within the unit?

7 A. We own 96.75 percent of the gas in the unit.

8 Q. And the interest of Equitable in the coal
9 estate?

10 A. A 100...we have leased 100 percent of that
11 of the coal.

12 Q. And is it accurate that the only unleased
13 interest within the gas or coal estate in this unit is a...is
14 3.25 percent of the gas estate which is held by the unknown
15 heirs of G. W. Smith, Jr.?

16 A. That's correct.

17 Q. And were efforts made to determine if any
18 individual respondents were living or deceased or their
19 whereabouts, and if deceased, were efforts made to determine
20 the names and addresses and whereabouts of the successors to
21 any deceased respondent?

22 A. Yes, it was.

23 Q. Were reasonable and diligent efforts made,
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1 and sources checked to identify and located any unknown
2 heirs, including primary sources such as deed records,
3 probate records, assessor's records, treasurer's records and
4 secondary sources such as telephone directories, city
5 directories, family and friends?

6 A. Yes.

7 Q. In your professional opinion, was due
8 diligence exercised to locate each of the respondents named
9 within the unit?

10 A. It was.

11 Q. Are you requesting this Board to force pool
12 all unleased interest listed in Exhibit B?

13 A. We are.

14 Q. And are you familiar with the fair market
15 value of drilling rights in the unit here and in the
16 surrounding area?

17 A. Yes, I am.

18 Q. Could you advise the Board as to what those
19 are?

20 A. A five year...a \$5 bonus, a five term and
21 one-eighth royalty.

22 Q. Did you gain your familiarity by acquiring
23 oil and gas leases, coalbed methane leases and other

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1 agreements involving the transfer of drilling rights in the
2 unit involved here and in the surrounding area?

3 A. Yes, I did.

4 Q. In your opinion, do the terms you have
5 testified to represent the fair market value of and the fair
6 and reasonable compensation to be paid for drilling rights
7 within this unit?

8 A. It does.

9 Q. Okay. As to the respondents who have not
10 voluntarily agreed to lease, do you recommend that any
11 unleased respondents listed in Exhibit B be allowed the
12 following options with respect to their ownership interest
13 within the unit - one, participation; two, a cash bonus of \$5
14 per net mineral acre plus a one-eighth of eight-eighths
15 royalty; three, in lieu of a cash bonus, a one-eighth of
16 eight-eighths royalty share in the operation of the well on a
17 carried bases as a carried operator under the following
18 conditions: Such carried operator shall be entitled to the
19 share of production from the tracts pooled accruing to his
20 interest exclusive of any royalty or overriding royalty
21 reserved in any leases, assignments thereof or agreements
22 relating thereto of such tracts, but only after the proceeds
23 applicable to his share equal, (A) - 300 percent of the share

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1 of such costs applicable to the interest of the carried
2 operator of a leased tract or portion thereof; or (B) - 200
3 percent of the share of such costs applicable to the interest
4 of the carried operator of an unleased tract or portion
5 thereof?

6 A. Yes.

7 Q. Do you recommend that the order provide that
8 any elections made by a respondent be in writing to the
9 applicant at Equitable Production Company, P. O. Box 1983,
10 Kingsport, Tennessee 37662-1983, Attention: Rita McGlothlin-
11 Barrett, Regulatory?

12 A. Yes.

13 Q. And should this be the address for all
14 communications with the applicant concerning any force
15 pooling order?

16 A. Yes, it should.

17 Q. And do you recommend that the order provide
18 that if no written elections is properly made by a
19 respondent, then such respondent shall be deemed to have
20 elected cash royalty option in lieu of participation?

21 A. Yes.

22 Q. And should any unleased respondents be given
23 thirty days from the date of the recording of the Board order
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1 to file written elections?

2 A. Yes.

3 Q. If an unleased respondent elects to
4 participate, should they be given forty-five days to pay the
5 applicant for the respondent's proportionate share of well
6 costs?

7 A. Yes.

8 Q. Does the applicant expect the party electing
9 to participate to pay in advance that party's share of
10 completed well costs?

11 A. Yes.

12 Q. Should the applicant be allowed 120 days
13 following the recordation date of the Board order, and
14 thereafter, annually on that date, until production is
15 achieved to pay or tender any cash bonus becoming due under
16 the order?

17 A. Yes.

18 Q. Do you recommend that the order provide that
19 if the respondent elects to participate, but fails to pay
20 their proportionate share of well costs satisfactory to the
21 applicant for payment of such costs, then respondents
22 election to participate should be treated as having been
23 withdrawn and void and such respondent should be treated just
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1 as if no initial election had ever been filed under the force
2 pooling order, in other words, deemed to be leased?

3 A. Yes.

4 Q. Do you recommend that the force order
5 provide that where a respondent elects to participate, but
6 defaults in regard to the payment of well costs, any cash sum
7 becoming payable to such respondent be paid within sixty days
8 after the last date on which such respondent could have paid,
9 or made satisfactory arrangements for the payment of said
10 well costs?

11 A. Yes.

12 Q. Do you recommend that the order provide that
13 if a respondent refuses to accept any payment due, including
14 any payment due under the order or any payment of royalty or
15 cash bonus were said payment cannot be paid to a party for
16 any reason, or there's a title defect in respondents
17 interest, or in the event of conflicting claims to the
18 coalbed methane, that the operator pay into an escrow account
19 created by this Board all costs or proceeds attributable to
20 this interest or conflicting interest where it shall be held
21 for the respondent's benefit until such funds can be paid to
22 party by order of the Board or until the title defect or
23 conflicting claim is resolved to operator's satisfaction?

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1 A. Yes.

2 Q. And who should be named the operator under
3 any force pooling order?

4 A. Equitable...Equitable Production Company.

5 JIM KISER: Nothing further of this witness at this
6 time, Mr. Chairman.

7 BENNY WAMPLER: Mr. Wilson, the gentlemen that came
8 in, were they for this---?

9 (Mr. Wilson indicates negatively.)

10 BENNY WAMPLER: Not for this one. Okay. I just
11 wanted to make sure on that. Any questions from members of
12 the Board of this witness?

13 SANDRA RIGGS: Do you have the permit number?

14 DON C. HALL: Pardon?

15 SANDRA RIGGS: The permit number. It has been
16 issued, you said.

17 DON C. HALL: No, I don't have that with me.

18 BENNY WAMPLER: Any other questions?

19 (No audible response.)

20 BENNY WAMPLER: Call your next witness.

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22 MARTIN PUSKAR

23 having been duly sworn, was examined and testified as

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1 follows:

2 QUESTIONS BY MR. KISER:

3 Q. Mr. Puskar, if you would state your name for
4 the Board, who you are employed by and in what capacity?

5 A. My name is Martin Puskar. I'm employed by
6 Equitable Production Company. I'm a engineer.

7 Q. And you've previously testified before the
8 Virginia Gas and Oil Board and your qualifications as an
9 expert witness in engineering and operations have been
10 accepted by the Board?

11 A. Yes.

12 Q. And do your responsibilities include the
13 land involved in the unit for VC-4256 and in the surrounding
14 area?

15 A. Yes.

16 Q. And are you familiar with the application
17 and proposed plan of exploration and development?

18 A. Yes.

19 Q. What is the total depth of the proposed well
20 under the applicant's plan of development?

21 A. Total depth is 1,963 feet.

22 Q. And will this be sufficient to penetrate and
23 test the common sources of supply in the subject formations?

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1 A. Yes.

2 Q. What are the estimated reserves underlying
3 this unit?

4 A. The reserves for this well are estimated at
5 400,000,000 cubic feet.

6 Q. Now, are you familiar with the well costs
7 for the proposed well under the plan of development?

8 A. Yes, I am.

9 Q. Has an AFE been reviewed, signed and
10 submitted to the Board with the application as Exhibit C?

11 A. Yes, it has.

12 Q. And was this AFE prepared by an engineering
13 department knowledgeable in the preparation of AFEs and
14 knowledgeable in regard to well costs in this particular
15 area?

16 A. Yes.

17 Q. In your professional opinion, does the AFE
18 represent a reasonable estimate of the well costs for the
19 well under plan of development?

20 A. Yes, it does.

21 Q. Could you state for the Board both the dry
22 hole costs and completed well costs?

23 A. The dry hole costs are \$93,619 and the
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1 completed well costs \$185,900.

2 Q. Do these costs anticipate a multiple
3 completion?

4 A. Yes, they do.

5 Q. Does the AFE include a reasonable charge for
6 supervision?

7 A. Yes, it does.

8 Q. In your professional opinion, will the
9 granting of this application be in the best interest of
10 conservation, the prevention of waste and the protection of
11 correlative rights?

12 A. Yes.

13 JIM KISER: Nothing further of this chairman at
14 this time, Mr...I mean, this witness at this time, Mr.
15 Chairman.

16 BENNY WAMPLER: Any questions from members of the
17 Board?

18 (No audible response.)

19 BENNY WAMPLER: Do you folks have anything? Do you
20 have anything---?

21 JIM KISER: We'd ask that the application be
22 approved as submitted.

23 CLYDE KING: What's the amount of years of
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1 production, do you think?

2 MARTIN PUSKAR: Oh, we've...we estimate reserves
3 over probably a thirty year life. Production from CBM has
4 been relatively new and the future length is not known yet.

5 DON C. HALL: Though we have some wells that have
6 been producing for like twelve years now.

7 MARTIN PUSKAR: Yeah, it's...yeah, we've been over
8 twelve years and still going strong, so---.

9 JIM KISER: CBM wise.

10 CLYDE KING: I move that we approve, Mr. Chairman.

11 BENNY WAMPLER: I have a motion to approve.

12 MASON BRENT: I second.

13 BENNY WAMPLER: Seconded. Any further discussions?
14 (No audible response.)

15 BENNY WAMPLER: All in favor, signify by saying yes.
16 (All members indicate in the affirmative.)

17 BENNY WAMPLER: Opposed, say no.
18 (No audible response.)

19 BENNY WAMPLER: You have approval. The next item on
20 the agenda is a petition for Equitable Production Company for
21 pooling a coalbed methane unit in the Nora Coalbed Gas Field
22 identified as VC-4360. This is docket number VGOB-00-02/15-
23 0769. We'd ask the parties that wish to address the board in
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1 this matter to come forward at this time.

2 JIM KISER: Mr. Chairman, Jim Kiser on behalf of
3 Production Company. Our witnesses once again in this matter
4 will be Mr. Hall and Mr. Puskar.

5 BENNY WAMPLER: Bob, which one are they here for, so
6 I'll---?

7 BOB WILSON: One of the Flat Gap.

8 BENNY WAMPLER: Do you know which item number? Is
9 it four or---?

10 BOB WILSON: No. One of the final two items.

11 BENNY WAMPLER: Okay. All right. The record will
12 show there are no others. You may proceed.

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1 DON C. HALL

2 having been duly sworn, was examined and testified as
3 follows:

4 DIRECT EXAMINATION

5 QUESTIONS BY MR. KISER:

6 Q. Mr. Hall, could you again state your name
7 for the Board, who you're employed by, and in what capacity?

8 A. Don C. Hall. I'm employed by Equitable
9 Production Company as District Landman.

10 Q. And do your responsibilities include the
11 land involved here and in the surrounding area?

12 A. Yes, it does.

13 Q. And are you familiar with Equitable's
14 application seeking of pooling order for EPC well number VC-
15 4360, which was dated January 14, 2000?

16 A. Yes, I am.

17 Q. Is Equitable seeking to force pool the
18 drilling rights underlying the drilling and spacing unit as
19 depicted at Exhibit A to the application?

20 A. Yes.

21 Q. And does the proposed location for well
22 number VC-4360 fall within the Board's order for the Nora
23 Coalbed Gas Field?

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1 A. It does.

2 Q. Now, prior to filing the application, were
3 efforts made to contact each of the respondents listed in
4 Exhibit B and an effort made to work out an agreement
5 regarding the development of the unit?

6 A. Yes, it was.

7 Q. Does Equitable own drilling rights in the
8 unit involved here?

9 A. We do.

10 Q. What is the interest of Equitable in the gas
11 estate within the unit?

12 A. We own 99...or we have leased 99.73 percent.

13 Q. And the coal estate?

14 A. We have the same, 99.73 percent.

15 Q. Are all the unleased parties set out at
16 Exhibit B?

17 A. They are.

18 Q. Are you familiar with the ownership of
19 drilling rights of parties other than Equitable underlying
20 this unit?

21 A. Yes.

22 Q. What is the interest in both the gas and
23 coal estate that is unleased to Equitable?

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1 A. .27 percent.

2 Q. 0.27 percent?

3 A. Yes.

4 Q. And are the addresses set out in Exhibit B

5 to the application the last known addresses for the

6 respondents?

7 A. They are.

8 Q. Are you requesting the Board to force pool

9 an unleased interest listed at Exhibit B?

10 A. Yes, we are.

11 Q. Are you familiar with the fair market value

12 of drilling rights in the unit here and in the surrounding

13 area?

14 A. Yes.

15 Q. Could you...could you again advise the Board

16 as the what those are?

17 A. A \$5 bonus, a five year term and one-eighth

18 royalty.

19 Q. In your professional opinion, do the terms

20 you have testified to represent the fair market value of and

21 the fair and reasonable compensation to be paid for drilling

22 rights within this unit?

23 A. They do.

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1 MR. KISER: Mr. Chairman, at this time, I'd ask
2 that the testimony that we just took in VGOB docket number
3 00-01/18-0768 regarding the election options afforded any
4 force pooled parties and their various time periods and
5 obligations under those election options be incorporated into
6 this hearing.

7 BENNY WAMPLER: They'll be incorporated.

8 Q. We don't have any conflicting complainants,
9 do we? Who should be named operator under any force pooling
10 order?

11 A. Equitable Production Company.

12 MR. KISER: Nothing further of this witness at this
13 time, Mr. Chairman.

14 BENNY WAMPLER: Has this well been permitted?

15 DON C. HALL: Just a second. It's...the application
16 is in now. It hasn't been permitted yet.

17 BENNY WAMPLER: Okay.

18 MASON BRENT: Can you tell me anything about this
19 grave site that shows on this plat?

20 DON C. HALL: No, not really. It looks like it's
21 probably about 300 feet from the well based on where it's
22 located here. But it was...as I recall, it was a single
23 grave site that we...that was discovered in the process of
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1 surveying this and we just, you know, got far enough away
2 from it to not disturb.

3 JIM KISER: So, it's not a family cemetery or
4 anything like that?

5 DON C. HALL: No, it was just a single grave site as
6 I recall.

7 MASON BRENT: Does it look like it's ever
8 frequented?

9 DON C. HALL: I think it was one of those deals
10 where you just stumble over a headstone in the woods and not
11 cemetery conditions or anything.

12 CLYDE KING: Not any roads close by or paths or
13 anything?

14 DON C. HALL: No.

15 BENNY WAMPLER: Other questions of this witness?

16 (No audible response.)

17 BENNY WAMPLER: Call your next witness.

18

19 MARTIN PUSKAR

20 having been duly sworn, examined and testified as follows:

21 DIRECT EXAMINATION

22 QUESTIONS BY MR. KISER:

23 Q. Mr. Puskar, could you again state your name

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1 for the Board and who you're employed by, and in what
2 capacity?

3 A. I'm Martin Puskar. I'm employed by
4 Equitable Production Company. I'm an engineer.

5 Q. And do your responsibilities include the
6 land involved here and in the surrounding area?

7 A. Yes.

8 Q. Are you familiar with the application that
9 was filed and the proposed plan of development for this unit?

10 A. Yes, I am.

11 Q. What is the total depth of the proposed well
12 under the applicant's plan of development?

13 A. The total depth is 2,088 feet.

14 Q. And this will be sufficient to penetrate and
15 test the common sources as supplied in the subject
16 formations?

17 A. Yes.

18 Q. What are the estimated reserves underlying
19 unit?

20 A. 400,000,000 cubic feet.

21 Q. Now, are you familiar with the well costs
22 for the proposed well under the plan of development?

23 A. Yes, I am.

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1 Q. And has an AFE been reviewed, signed and
2 submitted to the Board as Exhibit C to this application?

3 A. Yes, it has.

4 Q. Was this AFE prepared by an engineering
5 department knowledgeable in the preparation of AFEs and in
6 particularly knowledgeable in regard to well costs in this
7 particular area?

8 A. Yes.

9 Q. In your professional opinion, does the AFE
10 represent a reasonable estimate of the well costs for the
11 proposed well under the plan of development?

12 A. Yes, it does.

13 Q. Could you state for the Board at this time
14 what the dry hole costs and the completed well costs are for
15 VC-4360?

16 A. The dry hole costs are \$97,582 and the
17 completed well costs are estimated at \$186,000.

18 Q. Do these costs anticipate a multiple
19 completion?

20 A. Yes.

21 Q. Does your AFE include a reasonable charge
22 for supervision?

23 A. Yes, it does.

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1 Q. In your professional opinion, will the
2 granting of this application be in the best interest of
3 conservation, the prevention of waste and the protection of
4 correlative rights?

5 A. Yes.

6 JIM KISER: Nothing further of this witness at this
7 time, Mr. Chairman.

8 BENNY WAMPLER: Mr. Puskar, we've had a lot of
9 experience now...Mr. Hall mentioned twelve years of drilling
10 coalbed methane wells and we've had testimony about the AFEs
11 before. How accurate do you feel we are now? Does your
12 company update these AFEs based on your actual experience and
13 how accurate are you typically with your estimated costs
14 versus your actual costs?

15 MARTIN PUSKAR: Yeah, we do our best trying to use
16 as current numbers and estimates as possible for, you know,
17 all the...I'm going to say variable type things as far as the
18 cementing services and all of those kind of things. A lot of
19 them are based off of most recent past history of what it has
20 cost us to do things as far as, you know, building locations
21 and those kind of things. So, it...you know, we try to kind
22 of keep track of that as we go along to make sure that, you
23 know, what we are putting down is relatively close to what it

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1 should be, or at least what we hope it should be. As far as,
2 you know, plus or minus probably within 5 to 10 percent
3 overall. You know, you never know what you're going to run
4 into in each individual case, but typically I'd say we're
5 probably within that 5 to 10 percent range.

6 JIM KISER: So, it's safe to say that these AFEs
7 reflect what your actual costs have been on previously
8 drilled Nora wells?

9 MARTIN PUSKAR: Yes. Yeah.

10 JIM KISER: They always seem to run between a 180
11 and 190.

12 BENNY WAMPLER: Questions from members of the Board
13 of this witness?

14 (No audible response.)

15 BENNY WAMPLER: Do you have anything further?

16 JIM KISER: We'd ask that the application be
17 approved as submitted, Mr. Chairman.

18 MASON BRENT: I move that we approve the
19 application, Mr. Chairman.

20 BENNY WAMPLER: I have a motion to approve. Is
21 there a second?

22 MAX LEWIS: I second.

23 BENNY WAMPLER: Motion and second. Any further
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1 discussions?

2 (No audible response.)

3 BENNY WAMPLER: All in favor, signify by saying yes.

4 (All members indicate in the affirmative.)

5 BENNY WAMPLER: Opposed, say no.

6 (No audible response.)

7 BENNY WAMPLER: You have approval.

8 The next item on the agenda is a petition from

9 Equitable Production Company for pooling a conventional gas

10 unit identified as V-4358, docket number VGOB-00-02/15-0770.

11 We'd ask the parties that wish to address the board in this

12 matter to come forward at this time.

13 BOB WILSON: These people are here to observe. They

14 are not wanting to speak.

15 BENNY WAMPLER: Okay.

16 JIM KISER: Are they...are you in this unit? I've

17 got a revised AFE that I need to hand out to everybody.

18 BENNY WAMPLER: Just be aware at any point in time

19 that we're asking if there's any questions of these

20 witnesses, if you have questions, please feel free to ask the

21 questions and we'll try to make sure that we get...get your

22 questions answered, if you have any.

23 (Mr. Kiser hands out a revised exhibit.)

24

1 JIM KISER: Mr. Chairman, Jim Kiser on behalf of
2 Equitable Production Company. Our witnesses again are Mr.
3 Hall and Mr. Puskar. We do have a revised Exhibit C, which
4 is the AFE. There's five areas that have changed. If
5 we...if it's okay with you, we'll wait until we get to Mr.
6 Puskar's testimony---

7 BENNY WAMPLER: That's fine.

8 JIM KISER: ---and I'll point those out for you and
9 I think the...when you look at the plat, the reasons will be
10 somewhat self explanatory, but we'll go through that.

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1 DON C. HALL

2 having been duly sworn, examined and testified as follows:

3 DIRECT EXAMINATION

4 QUESTIONS BY MR. KISER:

5 Q. Mr. Hall, would you again please state your
6 name for the Board, who you're employed by, and in what
7 capacity?

8 A. Don C. Hall. I'm employed by Equitable
9 Production Company as District Landman.

10 Q. And your responsibilities do include the
11 land involved...underlying the unit for V-4358?

12 A. Yes, they do.

13 Q. And are you familiar with Equitable's
14 application for the establishment of a drilling unit and
15 seeking of a pooling order for EPC well number V-4358, which
16 was dated January 14, 2000?

17 A. Yes, I am.

18 Q. Does Equitable own drilling rights in the
19 unit involved here?

20 A. We do.

21 Q. Now, prior to filing the application, were
22 efforts made to contact each of the respondents listed in
23 Exhibit B in an attempt to work out an agreement regarding
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1 the development of the unit?

2 A. There was.

3 Q. What is the interest of Equitable within the
4 unit?

5 A. We have 97.28 percent of the unit under
6 lease.

7 Q. And are you familiar with the ownership of
8 drilling rights of parties other than Equitable underlying
9 this unit?

10 A. Yes.

11 Q. And what percentage of the gas estate
12 remains unleased at this time?

13 A. 2.72 percent.

14 Q. And subsequent to the filing of the
15 application, have you continued to attempt to reach an
16 agreement with any of the unleased respondents listed in
17 Exhibit B?

18 A. Yes.

19 Q. And as a result of these efforts, you've not
20 been able to acquire any additional leases?

21 A. No.

22 Q. Okay. So, all of the unleased parties are
23 set out in Exhibit B to the application?

24

1 A. Yes.

2 Q. Okay. And were reasonable and diligent
3 efforts...we do have some unknown heirs in Tract Seven. Were
4 reasonable and diligent efforts made and sources checked to
5 identify and locate these unknown heirs including primary
6 sources such as deed records, probate records, assessor's
7 records, treasurer's records and secondary sources such as
8 telephone directories, city directories, family and friends?

9 A. They were.

10 Q. And in your professional opinion, was due
11 diligence exercised to locate each of the respondents named
12 herein?

13 A. Yes.

14 Q. And are the addresses set out in Exhibit B
15 to the application the last known addresses for the
16 respondents?

17 A. Yes, they are.

18 Q. Are you requesting this Board to force pool
19 all unleased interest listed in Exhibit B?

20 A. We are.

21 Q. Are you familiar with the fair market value
22 of drilling rights in the unit here and in the surrounding
23 area?

24

--

1 A. Yes, I am.

2 Q. Could you advise the Board as the what those
3 are?

4 A. A \$5 bonus, a five year term and one-eighth
5 royalty.

6 Q. In your opinion, do these terms you have
7 testified to represent the fair market value of and the fair
8 and reasonable compensation to be paid for drilling rights
9 within this unit?

10 A. They do.

11 MR. KISER: Mr. Chairman, at this time, we'd once
12 again ask that, unless our guests want me to go through them
13 again, if they do, I'll be glad to, but we'd ask that the
14 testimony regarding the election options afforded the
15 unleased parties and their obligations and time frames into
16 which to make those elections that were...that was taken in
17 our first hearing today, VGOB docket number 00-01/18-0768
18 again be incorporated into the testimony here.

19 BENNY WAMPLER: Is there any objections?

20 (No audible response.)

21 BENNY WAMPLER: Hearing no objections, they are
22 being incorporated.

23 Q. Okay. Mr. Hall, being that we do have some
24

1 unknown heirs listed as royalty interest owners in Tract
2 Seven, does the Board need to create an escrow account for
3 the respondent's benefit?

4 A. Yes, they do.

5 Q. Okay. And who should be named the operator
6 under any force pooling order?

7 A. Equitable Production Company.

8 JIM KISER: Nothing further of this witness at this
9 time, Mr. Chairman.

10 BENNY WAMPLER: Can you tell us a little about
11 this...you talked about Tract Seven. It's Tract Six and
12 Seven, isn't it?

13 JIM KISER: Oh, it is. I'm sorry.

14 DON C. HALL: Yes.

15 JIM KISER: It's my mistake. I didn't see it.

16 DON C. HALL: Yeah, it's (inaudible).

17 JIM KISER: Well, the unleased interests are Six and
18 Seven, but the unknown heirs are only in Seven. That's what
19 I was talking about. I'm sorry.

20 BENNY WAMPLER: Okay. Okay. All right. That's
21 okay. The well is on the Virginia side? We're on---.

22 JIM KISER: Right.

23 DON C. HALL: Right.

24

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1 JIM KISER: The well bore is in Virginia. We're not
2 force pooling our...all of the Kentucky interest are under
3 lease.

4 BENNY WAMPLER: Questions of this witness by members
5 of the Board?

6 MASON BRENT: How does that work with regard to
7 offset from another well that may be on the Kentucky side?

8 DON C. HALL: Well, I'm not real familiar with
9 Kentucky law, but I think they had a 500 foot set back
10 instead of the 1250. But we have this under lease here and
11 it's in part of this unit. So, it's held by production and
12 then they couldn't drill...they'll have to be 500 feet from
13 what we've got there.

14 BENNY WAMPLER: Any other questions?

15 (No audible response.)

16 BENNY WAMPLER: Call your next witness.

17

18 MARTIN PUSKAR

19 having been duly sworn, examined and testified as follows:

20 DIRECT EXAMINATION

21 QUESTIONS BY MR. KISER:

22 Q. Mr. Puskar, again state your name for the
23 Board and who you're employed by, and in what capacity.

24

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1 A. I'm Martin Puskar. I'm an engineer with
2 Equitable Production Company.

3 Q. And do your responsibilities include the
4 land underlying the unit for V-4358?

5 A. Yes.

6 Q. And you're familiar with the plan of
7 development for this well?

8 A. Yes, I am.

9 Q. What is the total depth of the proposed well
10 under the plan of development?

11 A. 4,500 feet.

12 Q. And will this be sufficient to penetrate and
13 test the common sources as supplied in the subject
14 formations?

15 A. Yes, it will.

16 Q. Now, is the applicant requesting the Board
17 to force pool conventional gas reserves not only to include
18 the designated formations, but any formations, excluding coal
19 formations, which may be between those formations designated
20 from the surface to the total depth drilled?

21 A. Yes.

22 Q. What are the estimated reserves underlying
23 this unit?

24

1 A. Reserves we've estimated at 550,000,000
2 cubic feet.

3 Q. And are you familiar with the well costs for
4 the proposed well under the plan of development?

5 A. Yes, I am.

6 Q. And has a revised AFE been reviewed, signed
7 and submitted to the Board?

8 A. Yes.

9 Q. Was this AFE prepared by an engineering
10 department knowledgeable in the preparation of AFEs and
11 knowledgeable in regard to well costs in this area?

12 A. Yes.

13 Q. Does this AFE, in your opinion, represent a
14 reasonable estimate of the well costs for this well under the
15 plan of development?

16 A. Yes, it does.

17 Q. Okay, now, Mr. Puskar, is it true that the
18 original AFE, the concluded well cost figure was \$250,040.15?

19 A. Yes.

20 Q. And the revised AFE shows a completed well
21 cost figure of \$276,815?

22 A. Yes.

23 Q. And if the Board will pull out their two
24

1 AFEs, and we'll explain to you where that cost has increased?

2 We'll give you a minute to do that.

3 (Pause.)

4 Q. Has there been any change in the dry hole
5 costs, Mr. Puskar?

6 A. I don't have the old...yeah, the dry hole
7 cost does change and that's probably where the majority of
8 the costs are coming from. Because of the number of tracts,
9 we had a lot more curative title work that needed to be done.

10 JIM KISER: If you'll go to page one and go under
11 the IDC, the intangible drilling costs, if you'll go down,
12 one, two, three, four, five categories to curative in title,
13 that figure has gone from \$0 to \$23,000. That's because of
14 the large number of tracts in the unit.

15 DON C. HALL: Twenty-six tracts in the unit.

16 JIM KISER: Twenty-six tracts.

17 MASON BRENT: Wouldn't...wouldn't that have been
18 anticipated?

19 JIM KISER: I think what happened was that they
20 didn't realize that they didn't have title on the Kentucky
21 tracts and that's where that figure is coming from. The
22 Virginia tracts were titled, but the Kentucky tracts weren't.

23 MARTIN PUSKAR: And with that number of tracts and
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1 everything, the survey costs have gone up and the surveying
2 costs and the preparation of the plat with that many number
3 of tracts.

4 JIM KISER: That went up \$3,200 from \$6,500 and
5 \$9,700.

6 MARTIN PUSKAR: Uh-huh.

7 JIM KISER: The permit and bond costs went from a
8 \$1,000 to \$1,200.

9 MARTIN PUSKAR: Uh-huh.

10 JIM KISER: Surface damages went from \$7,500 to
11 \$8,500, and then the fifth change was actually a decrease
12 over on page two.

13 MARTIN PUSKAR: Right.

14 JIM KISER: Where the right-of-way costs went from
15 \$6,000 to \$5,000.

16 MARTIN PUSKAR: \$5,000 to \$4,000.

17 JIM KISER: \$5,000 to \$4,000. Excuse me. Giving us
18 our new figures, revised figures of dry hole costs of
19 \$151,865 and completed well costs of \$276,815.

20 BENNY WAMPLER: Would you have Mr. Puskar to testify
21 to that just for the record?

22 JIM KISER: I'm sorry.

23 Q. Mr. Puskar, could you please state both the
24

1 dry hole costs and completed well costs as exhibited in our
2 Revised Exhibit C?

3 A. Yes, the dry hole costs are \$151,865 and the
4 completed well costs are \$276,815.

5 JIM KISER: Have you got any questions?

6 BENNY WAMPLER: Any questions from members of the
7 Board?

8 (No audible response.)

9 BENNY WAMPLER: Do you have anything further?

10 JIM KISER: A couple more questions.

11 Q. Do these costs anticipate a multiple
12 completion?

13 A. Yes, they do.

14 Q. And does the AFE include a reasonable charge
15 for supervision?

16 A. Yes, it does.

17 Q. In your professional opinion, will the
18 granting of this application be in the best interest of
19 conversation, the prevention of waste, and the protection of
20 correlative rights?

21 A. Yes.

22 Q. No further questions of this witness at this
23 time, Mr. Chairman?

24

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1 BENNY WAMPLER: Any questions from members of the
2 Board?

3 MAX LEWIS: Yeah, you have...on Benjamin and Patsy
4 Hamilton, you don't have that whether it's leased or
5 unleased. Ruby Head and Kiser heirs, Kenser heirs. You
6 don't have it whether it's leased or unleased.

7 JIM KISER: I think you're looking at the mineral
8 interest sheet which is something that we did for the plat.
9 If you'll look at Exhibit B, that information is on there.

10 MAX LEWIS: Yeah.

11 JIM KISER: Go back one more...one more...go back to
12 Exhibit B.

13 MAX LEWIS: Well.

14 JIM KISER: There you go.

15 CLYDE KING: You've got one that's unable to locate
16 their address?

17 JIM KISER: Right. Only one set of unknown heirs.

18 MAX LEWIS: Yeah, I see that.

19 DON C. HALL: One interest.

20 JIM KISER: See what...Max, what we do on...when we
21 have a real busy plat like this, we'll attach like an
22 informational sheet behind the plat and then the actual
23 Exhibit B that sets out the interest and their status will
24

1 always be in Exhibit B.

2 MAX LEWIS: Uh-huh.

3 JIM KISER: So, it's just an additional piece of
4 information that you were looking at. It does not show the
5 status. It gives you something to...in addition to match up
6 with the plat.

7 MAX LEWIS: Yeah, I see it.

8 BENNY WAMPLER: Any other questions?

9 (No audible response.)

10 BENNY WAMPLER: Do you have anything further?

11 JIM KISER: Mr. Chairman, we'd ask that the
12 application be approved as submitted.

13 BENNY WAMPLER: Did you gentlemen have any questions
14 or any---?

15 (No audible response)

16 BENNY WAMPLER: Is there a motion to approve?

17 MASON BRENT: So moved.

18 BENNY WAMPLER: Is there a second?

19 CLYDE KING: I second.

20 BENNY WAMPLER: Motion and second. Any further
21 discussion?

22 (No audible response.)

23 BENNY WAMPLER: All in favor, signify by saying yes.

24

1 (All members indicate in the affirmative.)

2 BENNY WAMPLER: Opposed, say no.

3 (No audible response.)

4 BENNY WAMPLER: You have approval.

5 The final item on the agenda is a petition from
6 Equitable Production Company for pooling a conventional gas
7 unit identified as V-4285. This is docket number VGOB-00-
8 02/15-0771. We'd ask the parties that wish to address the
9 Board in this matter to come forward at this time.

10 JIM KISER: Mr. Chairman, Jim Kiser on behalf of
11 Equitable Production Company. Again, our witnesses will be
12 Mr. Hall and Mr. Puskar.

13 BENNY WAMPLER: The record will show there are no
14 others. You may proceed.

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1 A. Yes, there was.

2 Q. And what is the interest of Equitable in the
3 gas estate within the unit?

4 A. We own 79...we have under lease 79.82
5 percent.

6 Q. Okay. And are you familiar with the
7 ownership of drilling rights of parties other than Equitable
8 underlying this unit?

9 A. Yes, I am.

10 Q. And what percentage is that?

11 A. There's 20.18 percent unleased.

12 Q. Now, are all of the unleased parties set out
13 in Exhibit B?

14 A. Yes, they are.

15 Q. And we do have some unknown heirs included
16 here. Were diligent and reasonable efforts made and sources
17 checked to identify and locate these unknown heirs including
18 primary sources such as deed records, probate records,
19 assessor's records, treasurer's records and secondary sources
20 such as telephone directories, city directories, family and
21 friends?

22 A. Yes, they were.

23 Q. In your professional opinion, was due
24

1 diligence exercised to locate each of the respondents named
2 herein?

3 A. Yes, it was.

4 Q. And are the addresses set out in Exhibit B
5 to the application the last known addresses for the
6 respondents?

7 A. There is no address. We have no address for
8 the---.

9 Q. No, no, no. For the other respondents?

10 A. Oh, yes. Yes, they are.

11 Q. Are you requesting this Board to force pool
12 all unleased interest listed in Exhibit B?

13 A. Yes, we are.

14 Q. Which is the unknown heirs of J. E. England,
15 Jr.?

16 A. That's correct.

17 Q. Now, are you familiar with the fair market
18 value of drilling rights in the unit here and in the
19 surrounding area?

20 A. Yes, I am.

21 Q. Could you again advise the Board as to what
22 those are?

23 A. A \$5 an acre bonus, a five year term and
24

1 one-eighth royalty.

2 Q. In your opinion, do these terms you have
3 testified to represent the fair market value of and the fair
4 and reasonable compensation to be paid for drilling rights
5 within this unit?

6 A. They do.

7 MR. KISER: Mr. Chairman, I'd again ask that the
8 testimony regarding the elections afforded these unknown
9 heirs should we ever find them be...that was previously taken
10 in VGOB-00-01/18-0768 be incorporated into this hearing.

11 BENNY WAMPLER: It will be incorporated.

12 Q. And Mr Hall, once again, given the fact that
13 we've got the unknown J. E. England, Jr. heirs, does the
14 Board need to establish an escrow account into which
15 their...any money due to them under the order would be paid?

16 A. They do.

17 Q. And who should be named the operator under
18 the order?

19 A. Equitable Production Company.

20 JIM KISER: Nothing further of this witness at this
21 time, Mr. Chairman.

22 BENNY WAMPLER: Mr. Hall, could you explain the plat
23 to us? This one is a little different. The last time we

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1 showed Kentucky and this time we show...an unusual line that
2 follows the state line.

3 DON C. HALL: We anticipated that question.

4 JIM KISER: Darn.

5 DON C. HALL: The tract on the Kentucky side is a
6 Bureau of Land Management tract and we've...we've made
7 efforts to have it put on the list for option and they're
8 not...they have no plans to put it on the list and that
9 we...it's not going to be put up for lease. So, we...we
10 stopped our unit at the state line.

11 JIM KISER: And you've...is it...is it accurate that
12 you've attempted for two years to get that tract placed on
13 the option list?

14 DON C. HALL: Yes.

15 BENNY WAMPLER: Were they noticed of the hearing?

16 JIM KISER: No, that wasn't...that wouldn't be
17 required to be under the statute.

18 CLYDE KING: Is the well being drilled on the
19 unleased England property?

20 DON C. HALL: Well, actually the surface owner is
21 Morgan and Betty and Cecil Bolling where the well is being
22 drilled. The England...the unknown England heirs just own a
23 undivided two-fifths interest underlying the...of the mineral
24

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1 underlying that surface. But the well is actually on the
2 Bolling party's property who we have leased.

3 CLYDE KING: Did I see here where 20 percent of the-
4 --?

5 JIM KISER: 20 percent of the acreage within the
6 unit.

7 CLYDE KING: Right. That's a pretty good high of
8 percentage, isn't it?

9 JIM KISER: Well, for us it is. For other operators
10 it's not.

11 CLYDE KING: Yeah.

12 JIM KISER: I mean, by statute, we only have to have
13 25 percent under lease, so---.

14 DON C. HALL: And our unit is smaller than normal,
15 too---.

16 JIM KISER: Right.

17 DON C. HALL: ---which increases the percentage.

18 Q. And, Mr. Hall, is the location as it has
19 been submitted in this application, the legal location under
20 Virginia law?

21 A. Yes, it is.

22 BENNY WAMPLER: Any other questions of this witness?

23 (No audible response.)

24

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1 BENNY WAMPLER: Call your next witness.

2

3 MARTIN PUSKAR

4 having been duly sworn, examined and testified as follows:

5 DIRECT EXAMINATION

6 QUESTIONS BY MR. KISER:

7 Q. Mr. Puskar, could you state your name for
8 the Board and who you're employed by, and in what capacity?

9 A. I'm Martin Puskar with Equitable Production
10 Company and I'm an engineer.

11 Q. And you're familiar with the land involved
12 here and in the surrounding area?

13 A. Yes.

14 Q. Now, are you familiar also with the proposed
15 plan of development for this well?

16 A. Yes.

17 Q. And what is the total depth of the proposed
18 well under the plan of development?

19 A. The total depth, sir, is 4,500 feet.

20 Q. And will this be sufficient to penetrate and
21 test the common sources as supplied in the subject formation?

22 A. Yes.

23 Q. Is...is the applicant requesting the Board
24

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1 to force pool conventional gas reserves, not only to include
2 the designated formations, but any other formations,
3 excluding coal formations, which may be between those
4 formations designated from the surface to the total depth
5 drilled?

6 A. Yes.

7 Q. And what are the estimated reserves
8 underlying this unit?

9 A. 550,000,000 cubic feet.

10 Q. And are you familiar with the well costs for
11 this unit...for this well under the applicant's plan of
12 development?

13 A. Yes, I am.

14 Q. And has a revised AFE been reviewed, signed
15 and submitted to the Board as Exhibit C to the application?

16 A. Yes.

17 Q. And was this AFE prepared by an engineering
18 department knowledgeable in the preparation of AFEs and
19 knowledgeable in regard to well costs in this area?

20 A. Yes.

21 Q. Does this AFE, in your professional opinion,
22 represent a reasonable estimate of the well costs for the
23 well under the plan of development?

24

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1 A. Yes.

2 Q. Could you state for the Board at this time
3 both the dry hole costs and complete well costs for
4 V-4285?

5 A. Yes, the dry hole costs are \$138,365 and the
6 completed well costs are \$266,815.

7 Q. Do these costs anticipate a multiple
8 completion?

9 A. Yes, they do.

10 Q. And does an AFE...does your AFE include a
11 reasonable charge for supervision?

12 A. Yes, it does.

13 Q. In your professional opinion, will the
14 granting of this application be in the best interest of
15 conversation, the prevention of waste, and the protection of
16 correlative rights?

17 A. Yes.

18 JIM KISER: Nothing further questions of this
19 witness at this time, Mr. Chairman?

20 BENNY WAMPLER: Any questions of this witness from
21 members of the Board?

22 (No audible response.)

23 BENNY WAMPLER: Going back to Mr. Hall. How do you
24

1 plan to allocate production from this well given the...given
2 the fact that it is right on the Virginia---?

3 DON C. HALL: As it's shown on the plat...the
4 percentages of interest are shown on the plat and
5 that's...we'll allocate it based on those percentages.

6 BENNY WAMPLER: Will that be a 100 percent of the
7 production?

8 DON C. HALL: Yes.

9 BENNY WAMPLER: Okay. Any other questions?

10 (No audible response.)

11 BENNY WAMPLER: Do you have anything further?

12 JIM KISER: We'd ask that the application be
13 approved as submitted, Mr. Chairman.

14 BENNY WAMPLER: Is there a motion to approve?

15 MASON BRENT: I move that we approve.

16 CLYDE KING: I second.

17 BENNY WAMPLER: Motion and second. Any further
18 discussion?

19 (No audible response.)

20 BENNY WAMPLER: All in favor, signify by saying yes.

21 (All members indicate in the affirmative.)

22 BENNY WAMPLER: Opposed, say no.

23 (No audible response.)

24

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1 BENNY WAMPLER: You have approval. Thank you.

2 JIM KISER: Thank you, Mr. Chairman.

3 CLYDE KING: Mr. Chairman, can I go back? I'm sorry

4 that I didn't bring this up, but we didn't mention the fact

5 there was a grave site. If I remember correctly, just a few

6 months ago, we had a real time with that. Is it possible to

7 fence that off and...because you're going to be...how...you

8 said it's 400 feet from the grave to the well?

9 DON C. HALL: It's something like. Which well are

10 you talking about?

11 JIM KISER: It's 4360.

12 CLYDE KING: Okay. That's on number...number two.

13 Because we never know who's going to come back and say, well,

14 that should have been protected even though they----.

15 DON C. HALL: Yeah, we can look at fencing that.

16 We'll take a look at it. Let's see, that would be on---.

17 JIM KISER: Just put something around it.

18 DON C. HALL: Yeah. Yeah.

19 JIM KISER: Whose surface is that on?

20 DON C. HALL: It's Breeding.

21 JIM KISER: Okay.

22 CLYDE KING: Yeah.

23 DON C. HALL: The Breeding surface. Yeah, we'll

24

1 take a look at that.

2 CLYDE KING: Okay.

3 BOB WILSON: Mr. Chairman, I might point out that if
4 this occurs...if this grave site occurs within the permitted
5 area, then they would be required to take certain steps to
6 protect that and not disturb it. However, if it occurs
7 outside of any area that they're going to disturb, then we
8 have no actual jurisdiction over it.

9 BENNY WAMPLER: So, in other words, if they're going
10 to disturb any area close to that, covered under the
11 regulation, it's going to be covered by permit anyway?

12 BOB WILSON: Yes.

13 BENNY WAMPLER: Okay.

14 MASON BRENT: They can't...I mean, they can't fence
15 it without the surface owners' approval.

16 BENNY WAMPLER: Right.

17 DON C. HALL: That's the reason I didn't commit. I
18 just said we'll take a look at it because I'm not sure what
19 they'll want---.

20 BENNY WAMPLER: Yeah.

21 JIM KISER: Chances are they probably don't even
22 know it's there.

23 DON C. HALL: Yeah, I'm pretty sure they don't.

24

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1 JIM KISER: Can I ask a question, Mr. Chairman?

2 BENNY WAMPLER: Yes.

3 JIM KISER: Are we going to meet here now every

4 month? Is this our permanent place?

5 BENNY WAMPLER: That's why I asked Mr. Wilson to

6 talk to us. He's trying to...trying to line something up to

7 that effect. But we'll---.

8 JIM KISER: This is a pretty nice room here.

9 BENNY WAMPLER: The question we had out here was, we

10 had rooms, as you know, that wasn't...not acceptable and Bob

11 has been trying to line out a room that would be...that we

12 could count on and I'll let you speak to that.

13 BOB WILSON: We are...we will be here next month.

14 We had to commit that far ahead to get this room. Again,

15 it's on the third Tuesday of next month. It will be the 21st

16 and we'd like to get some opinions of the Board---.

17 BENNY WAMPLER: We just didn't commit for the Board.

18 We said, you know, if we...he thinks that he can get this

19 booked for the year, if that's...if the Board...if this is

20 acceptable to the Board.

21 CLYDE KING: I think that's great.

22 MAX LEWIS: This same room here?

23 BENNY WAMPLER: Yeah.

24

1 MAX LEWIS: It sounds great.

2 BENNY WAMPLER: Okay. Then that's what we'll do.

3 We'll move to do that then and just hold the meetings here

4 and---.

5 CLYDE KING: We've got plenty of room.

6 MASON BRENT: That's five more miles to my trip.

7 RICHARD GILLIAM: (Inaudible).

8 BENNY WAMPLER: Bless your heart.

9 BOB WILSON: I might add that---.

10 CLYDE KING: That's interstate miles.

11 JIM KISER: That's a further drive for you, shorter

12 for me.

13 BOB WILSON: ---the road to the 4-H center is

14 being...they're redoing the intersection down at the other

15 end of town. It's going to be a mess for about two years

16 down here. So, this maybe a little bit of---.

17 CLYDE KING: That's one of those areas you want to

18 stay away from.

19 MASON BRENT: I think this is a great facility here.

20 BENNY WAMPLER: We'll work...we'll work to keep this

21 room then. Thank you very much. That concludes today's

22 hearing.

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STATE OF VIRGINIA,

COUNTY OF BUCHANAN, to-wit:

I, SONYA MICHELLE BROWN, Court Reporter and Notary
Public for the State of Virginia, do hereby certify that the
foregoing hearing was recorded by me on a tape recording
machine and later transcribed by me personally.

Given under my hand and seal on this the 24th day
of February, 2000.

NOTARY PUBLIC

My commission expires: August 31, 2001.